

STATE OF WASHINGTON**OFFICE OF
INSURANCE COMMISSIONER****BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF WASHINGTON**

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OFFICE OF INSURANCE COMMISSIONER

In the Matter of)	
)	No. D99- 36
HORACE MANN INSURANCE)	
COMPANY,)	CONSENT AND ORDER
)	TO PAY FINE
an Authorized Insurer.)	
)	

CONSENT TO ORDER

Horace Mann Insurance Company hereby consents to the payment of a fine of \$5,000 for the use of disapproved rates in violation of RCW 48.19.040 which requires prior approval of any personal lines rate filing.

Horace Mann also consents to the reimbursement of the premiums collected in excess of its approved rates for earthquake insurance.

The consent to the following Order is voluntarily and with the understanding that such fine is in lieu of any suspension or revocation of its certificate of authority for such conduct.

Signed this 9th day of April, 1999.

HORACE MANN INSURANCE COMPANY

By

(Title)_____

BACKGROUND

In January 1997, Horace Mann submitted a homeowner earthquake rate and rule filing to which the commissioner's staff assigned filing number POIC 1042. The filing included a 2.5% rate increase which was disapproved. Additional correspondence was received from the company in August and the filing was again disapproved in September 1997 pending the receipt of the updated rate and rule manual.

Although the rate revision remained disapproved Horace Mann began using the rate filing on January 1, 1998 having collected \$53,152 of premium at disapproved rates as of February 1999 accounting month end.

In July 1997 Horace Mann submitted a private passenger automobile rate and rule filing to which the commissioner's staff assigned filing number POIC 1249. The filing was disapproved in August and again in November pending the receipt of an updated rate and rule manual. Although the rate filing remained disapproved, Horace Mann implemented its use in March 1998 having collected \$444 of premium at the disapproved rates as of February 28, 1999.

ORDER

Pursuant to RCW 48.05.185 and the foregoing Consent to Order, the Insurance Commissioner hereby imposes a fine in the amount of \$5,000 upon Horace Mann Insurance Company. Such fine shall be paid in full within 30 days from the date of the Order. Upon failure to pay such fine, the Commissioner will suspend the certificate of authority of the insurer, and the fine will be recoverable in a civil action brought in behalf of the Commissioner by the Attorney General.

Further, Horace Mann is to return all earthquake premium collected from its policyholders in excess of its approved rates within 60 days of the date of entry of this Order at which time verification of the reimbursement will be made to this office.

ISSUED AT OLYMPIA, WASHINGTON, this 19th day of April, 1999.

DEBORAH SENN
Insurance Commissioner

By

MARY M. COTTER
Enforcement Attorney